Judge:	Hon. Marc L. Barreca
Chapter:	Chapter 7
Hearing Date:	July 20, 2012
Hearing Time:	9:30 a.m.
Hearing Site:	700 Stewart St, #7106 Seattle, WA 98101

UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re: ADAM GROSSMAN, Debtor.	Case No. 10-19817 **SECOND SUPPLEMENTAL STATEMENT REGARDING TRUSTEE'S MOTION TO APPROVE SETTLEMENT OF ISSUES RELATING TO REAL PROPERTY LOCATED AT 868 MONTCREST DRIVE, REDDING, CALIFORNIA**

Ron Brown, Chapter 7 trustee in this case files this second supplemental statement regarding the Trustee's Motion to Approve Settlement of Issues Relating to Real Property Located at 868 Montcrest Drive, Redding, California, as ordered by this Court at the hearing conducted on June 22, 2012. Per the Court's direction this supplemental response deals with the claims filed in the case and how the proposed settlement would impact said claims.

The following properties are at issue[1]:

[1] The values are taken from docket #362 and supported by the declaration on docket #363.

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Strauss Lane

FMV	$135,000.00
1st position deed of trust	$ 70,000.00
2nd position deed of trust	$ 88,000.00
8% costs of sale	$ 10,800.00
Net equity to estate	$ unknown at this time, trying to get bank To agree to short sale.

20710 Glennview Drive

FMV -	$245,000.00
10% costs of sale	$ 24,500.00
Net equity to estate	$220,500.00

773 Metro Way

FMV	$160,000.00
1st position deed of trust	$ 91,000.00
10% costs of sale	$ 16,000.00
Net equity to Estate	$ 53,000.00

868 Montcrest

FMV	$175,000.00
10% costs of sale	$ 17,500.00
Net equity in property	$157,500.00

6821 39th Avenue NE, Seattle

FMV	$480,000.00
1st position deed of trust	$376,000.00
2nd position deed of trust	$224,000.00
8% costs of sale	$ 38,400.00
Net equity to estate	(158,400.00)

Attached as Exhibit “1” is an order allowing claims setting forth how the trustee anticipates the claims playing out in this Grossman case. It should be noted that the estimates as to administrative fees are just that, estimates. The estimates are made upon the probably unrealistic assumption that Mr. Grossman will not be filing any further motions in this case. To the extent further motions are filed the fees will increase exponentially. Mr. Grossman continually represents to this Court that his only interest is getting the unsecured creditors paid. If that is true, then perhaps Mr. Grossman can withdraw all of the claims he filed on

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behalf of others and save the estate the legal fees that are going to be incurred in objecting to those claims.

If the settlement is approved, and Montcrest is sold the estate receives $10,000.00 in net proceeds. Further, from the sales proceeds Ms. Borodin has agreed to pay the legal fees incurred with dealing with Montcrest issues and obtaining approval of the settlement (which we believe will be approximately $20,000.00 if the settlement is approved on July 20, 2012). This additional $30,000.00 would be added to the anticipated proceeds from Glennview Drive and Metro Way (estimated to be $273,500.00) for total funds available for disbursement of $303,500.00. That would result in payment of the Chapter 7 administrative claims in full and approximately a 90% disbursement to the chapter 11 claims. Nothing beyond Chapter 11 administrative claims would be paid.

If the settlement is not approved and the Trustee decides to file a complaint to have the Montcrest Property determined to be property of the estate, and the Court (whether it be State or Federal) rules that Montcrest must be sold and the wife's liabilities added to the estate then there would be a total available for disbursement of $430,000 and additional claims in the approximate amount of $160,000.00. That would result in payment in full of the Chapter 7, chapter 11 and tax claims, and a disbursement of 7% to the general unsecured creditors.

If the settlement is not approved and the Trustee decides to file a complaint to have the Montcrest Property determined to be property of the estate, and the Court rules against the Trustee and finds that the Montcrest property is the sole property of Jill Borodin, then this estate would be administratively insolvent by approximately $25,000.00 and no claims beyond Chapter 7 administrative claims would be paid.

If the settlement is not approved and the Trustee decides not to file a complaint to have the Montcrest Property determined to be property of the estate, then Montcrest Property

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would remain the property of Ms. Borodin, the chapter 7 administrative fees would be paid in full and a disbursement of approximately 40 percent would be made to the tax claims.

Dated this 13th day of July, 2012.

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/s/ Denice E. Moewes
Denice Moewes, WSBA#19464
Attorney for Trusee

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EXHIBIT“1”

Judge: Hon. Marc L. Barreca
Chapter: Chapter 7

UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

ADAM GROSSMAN, Debtor.	Case No. 10-19817 ORDER ALLOWING CLAIMS

THIS MATTER came before the Court on the Trustee's Objection to Claims and Notice of Presentation of Order Allowing Claims; the Court finding that the Objections to each claim objected to was given to the claimant, the debtor, the debtor's counsel and the Office of the United States Trustee; Notice of the Presentation of the Order Allowing Claims was given to all parties listed on the mailing matrix as evidenced by the Declaration of Mailing on file with the Court; the Court finding that the Objections and Notice of Presentation of Order Allowing Claims was timely and reasonable and thus was in compliance with the Bankruptcy Code and Rules; the Court having considered any responses to the Objections to Claims and the Notice of

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Presentation of the Order Allowing Claims, and the Court being fully informed in the matter, now, therefore, it is hereby

ORDERED that the following claims be are hereby are disallowed or allowed as set forth below:

Claim #	Claimant	Treatment of Claim
2	Wells Fargo Bank	Claim 2 is the first secured DOT on the Strauss Lane Property. The claim will be paid if the Trustee sells the property. If the Trustee does not sell the Property, the Property will be abandoned and the claim will no longer constitute a claim of this estate
7	IRS	Claim #7 is a duplicate of claim #6
8	Wells Fargo Bank	Claim #8 is the second position DOT on the Strauss Lane Property. The claim will be negotiated to zero pursuant to a short sale if the Trustee sells the property. If the Trustee does not sell the Property, the Property will be abandoned and the trustee assumes there will be a deficiency judgment filed in this case in the amount of $36,500.00 which will be allowed as a general unsecured claim.
17	Jill Borodin.	$17,888.41 of the claim filed was incurred after the Date the case was converted to a chapter 7 and thus are not obligations of this estate.
	Citimortgage	The fair market value of the 39th Property is $480,000 in the Decree. The first is owed $376,000.00. The second is owed $224,000. The deficiency claim would be $158,400 after factoring in costs of sale.
18	Tanager Fund	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
19	Ptarmigan Real Estate	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
20	Peter Zieve	The Court already instructed the debtor to withdraw This claim as Mr. Zieve filed his own claim and thus

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		The debtor does not have the right to file on on his behalf
21	Robert Delles Family Trust	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing. Any debt owed to the Delles Family Trust was incurred post-petition when the Debtor allegedly stole this entitiys disbursement from the Tanager Fund.
22	Jeff Bernstein	The trustee believes that this claim has no merit. Mr. Bernstein has advised the trustee that he does not believe he has any claim against Mr. Grossman.
23	Stephen LeBlanc	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
24	Joanna Strober	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
25	Marc Weitz	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
26	Harold and Cynthia Hendricks	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
27	John Ettinger	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
28	Arthur Bernstein	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
29	Terrington Davies Capital Management	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
30	Naomi Grossman	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
31	Alexandra Grossman	The trustee believes that this claim has no merit and will be disallowed after a costly claims

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		objection hearing.
32	Terrington Davies	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.
33	CC&L Accounting & Payroll	The trustee believes that this claim has no merit and will be disallowed after a costly claims objection hearing.

ESTIMATED CHAPTER 7 COSTS OF ADMINISTRATION

	If settlement not approved	/if settlement approved
Ron Brown, Trustee	$33,250.00[1]	$28,250.00
Wood & Jones, P.S.	$250,000.00[2] (currently owed $125,000.00)	$200,000.00
Stephen Dean, attorney in California hired to evict tenants in properties	$5,000.00	$5,000.00
Bruce Devereaux Accountant for trustee	$ 8,000.00	$8 ,000.00
Office of the US Trustee 700 Stewart St., Ste. 5103 Seattle, WA 98101	$1,625.00	$1,625.00
Total	$297,875.00	$242,875.00

CHAPTER 11 CLAIMS

--	Tsai Law Firm	$30,000.00
10	Congregation Beth Shalom Early Childhood Center Attn: Tzachi Litov	$3,348.00

[1] The Trustee fee is increased by the fee the trustee would be entitled to on the sale of the Montcrest property valued at $180,000.00. If the trustee were to sell it he would be entitled to a fee off the sales price. There is no such fee provided for in the settlement proposed with Jill Borodin.

[2] The attorney's fees were increased by $50,000.00 which we estimate it would cost to litigate the issue of the Divorce Decree.

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	6800 35th Avenue NE Seattle, WA 98115	
16	Lyman Opie c/o Hugh McCullough Davis Wright Tremaine, LLP 1201 Third Ave., Ste. 2200 Seattle, WA 98101-3045	$20,000.00 Questionable whether this is a chapter 11 claim or just not a claim of the estate
17	Jill Borodin c/o Crocker Law Group 720 Olive Way., Ste 1000 Seattle, WA 98101	$28,500.00
	Total	$ 81,848.00

ALLOWED 507(a)(7) TAX CLAIMS –

6	IRS P.O. Box 21126 Philadelphia, PA 19114	$5,114.30
9	Franchise Tax Board Bankruptcy Section, MS A340 Sacramento, CA 95812-2952	$11,715.52
	Total	$16,829.82

ALLOWED CHAPTER 7 UNSECURED CLAIMS

If settlement not approved/ if settlement approved

Discover Card DFS Services, LLC. P.O. Box 3025 New Albany, OH 43054-3025	$ 6,416.20 Community claim assigned to husband in decree	
Chase Bank USA, NA P.O. Box 15145 Wilmington, DE 19850-5145	$22,281.77 Community claim assigned to husband in decree	
Chase Bank USA, N.A. P.O. Box 15145 Wilmington, DE 19850-5145	$5,046.12 Community claim assigned to husband in decree	
Chase Bank USA, N.A. P.O. Box 15145 Wilmington, DE 19850-5145	5,285.93 Community claim assigned to husband in decree	
Wells Fargo Bank 3476 Stateview Blvd MAC#X7801-014	$36,500.00 Deficiency judgment arising from Strauss	

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Ft Mill, SC 29715	Lane property awarded to husband	
Congregation Beth Shalom Early Childhood Center Attn: Tzachi Litov 6800 35th Avenue NE Seattle, WA 98115	$7,800.00	
Office of the US Trustee 700 Stewart St., Ste. 5103 Seattle, WA 98101	$975.00	
FIA Card Services NA P.O. Box 15102 Wilmington, DE 19886-5102	$35,533.82 Community claim assigned to husband in decree	
Peter Zieve 10517 62nd Place W Mukilteo, WA 98275	$120,000.00	
Sallie Mae, Inc. 220 Lasley Avenue Wilkes-Barre, PA 18706	$70,119.76 (husband student loan incurred during marriage)	
Lyman Opie c/o Hugh McCullough Davis Wright Tremaine, LLP 1201 Third Ave., Ste. 2200 Seattle, WA 98101-3045	$185,000.00	
Jill Borodin c/o Crocker Law Group 720 Olive Way., Ste 1000 Seattle, WA 98101	$1,575.00	
Sallie Mae	$66,253.00 wife student loan incurred during marriage	0.0
Citmortgage	$158,400.00	0.0
Costco American Express	$124.00 community claim assigned to wife in decree	0.0
AA Visa #7563	$9,985.00 community claim assigned to wife in decree	0.0
AA Visa #5286	$3,281.00 community claim assigned to wife in decree	0.0
UA Air MC #7694	$ 873.00	0.0

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	community claim assigned to wife in decree	
Total	$735,325.60	$577,022.60

///END OF ORDER///

Presented by:6
Wood & Jones, P.S.
/s/ Denice E. Moewes
Denice E. Moewes, WSB 19464
Attorney for Chapter 7 Trustee
Ron Brown

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